

Message Text

UNCLASSIFIED

PAGE 01 JIDDA 04644 281236Z

43

ACTION EB-07

INFO OCT-01 NEA-10 ISO-00 SS-15 TRSE-00 COME-00 AID-05 L-03

NSC-05 CIAE-00 INR-07 NSAE-00 HUD-02 SP-02 /057 W

----- 108700

R 281120Z JUN 75

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC 1703

INFO AMCONSUL DHAHRAN

UNCLAS JIDDA 4644

E.O. 11652: N/A

TAGS: USSAEC, SA, US

SUBJECT: U.S.- SAUDI JOINT COMMISSION - HOUSING

REF: A) STATE 146654; B) STATE 140872

1. EMBASSY OFFICER DISCUSSED HOUSING AND REFTELS WITH MUQBIL KHALAF, DIRECTOR GENERAL OF HOUSING (FINANCE MINISTRY). KHALAF IS UNWILLING TO EVEN CONSIDER WHAT FORM COOPERATION WITH THE U.S. MIGHT TAKE BEFORE SEPTEMBER. ANY DISCUSSION BEFORE THE BUDGET IS COMPLETE IS PREMATURE, AND THEN "PEOPLE WILL BE GOING ON VACATION".

2. KHALAF DID NOT RESPOND AT ALL TO THE SUGGESTION THAT HE VISIT THE U.S., EVEN AS AN ADD-ON TO HIS VACATION. HE SAYS THAT CAN WAIT UNTIL SEPTEMBER ALSO. HE HAS NO PARTICULAR URGE TO VISIT THE SOUTHWEST TO OBSERVE HOUSING. (HE SAYS HE SPEND FIVE YEARS AT A UNIVERSITY IN NEW MEXICO.)

3. THE ONLY ASPECT OF OUR PROPOSITION WHICH KHALAF SEEMED TO FIND INTERESTING WAS THE POSSIBILITY OF TECHNICAL ASSISTANCE. EVIDENTLY HE HAS BROACHED THE IDEA LAST NOVEMBER WITH DR. SULIMAN SOLAIM, THEN SAUDI COORDINATOR OF THE JOINT COMMISSION. HOWEVER, KHALAF IS ONLY CASUALLY INTERESTED. HE BELIEVES HE CAN GET JUST ABOUT ANYONE HE NEEDS BY ADVERTISING IN THE U.S. AND HIRING DIRECTLY OR THROUGH HIS AMERICAN CONSULTANT.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 JIDDA 04644 281236Z

4. DESPITE OUR PREVIOUS REQUESTS TO MINSTATE FINANCE, ABA AL-KHAYL, KHALAF HAD RECEIVED NO WORD FROM ABOVE THAT PRINCE FAHD HAS ASKED US TO HELP OUT. IN THE ABSENCE OF SUCH A REQUEST HE IS DOING QUITE ALL RIGHT, THANK YOU. HE HAS SELECTED FIVE CONSULTANTS TO HANDLE CONTRACT MANAGEMENT -- EACH WILL HANDLE 33,000 LOW COST DWELLING UNITS AND EACH IS FROM A DIFFERENT NATION. THE U.S. REPRESENTATIVE WILL BE THE DDD CORPORATION OF AUSTIN, TEXAS. KHALAF IS ALSO MORE THAN SATISFIED WITH THE NUMBER OF U.S. CONTRACTORS AND BUSINESSMEN WHO WISH TO WORK WITH HIM. (HE NOW HAS A TOTAL OF 44 CONTRACTORS PREQUALIFIED TO BID FOR CONTRACTS. MANY OF THOSE ARE AMERICAN.) HE HOPES TO BEGIN LETTING CONTRACTS FOR CONSTRUCTION BY NOVEMBER OR DECEMBER.

5. CHARGE EXPLAINED TO ABA AL-KHAYL IN A SUBSEQUENT MEETING THAT WE HAVE OBSERVED THAT KHALAF HAS MATTERS WELL IN HAND, BUT WE STAND READY TO PROVIDE ASSISTANCE, IF CALLED UPON. ABA AL-KHAYL AGREED WITH KHALAF THAT SOMETHING MIGHT BE DONE AFTER PASSAGE OF SAUDI BUDGET.

6. WE WILL ATTEMPT TO KEEP CONTACT OPEN WITH KHALAF, BUT HE CERTAINLY IS A MOST RELUCTANT BRIDEGROOM. WE SUGGEST, THEREFORE, THAT THE JOINT COMMISSION UNDERTAKE A DIFFERENT KIND OF PROJECT. WE WILL BE NEEDING A LARGE NUMBER OF DWELLINGS FOR USG PERSONNEL SERVING IN THE KINGDOM UNDER THE JOINT COMMISSION. WE SHOULD, THEREFORE, UNDERTAKE TO BUILD A DEMONSTRATION COMPOUND UTILIZING LATEST DESERT-STYLE CONSTRUCTION, PREFAB TECHNIQUES, ETC. THE UNDERTAKING WOULD BE, OF COURSE, THAT THE HOUSING WOULD BE BUILT AT SAUDI EXPENSE AND WOULD BE TURNED OVER TO THE SAG WHEN VACATED BY THE USG. WE COULD MAKE A MAJOR EFFORT TO BUILD THE COMPOUND IN A DRAMATICALLY SHORT TIME. THUS, WE WOULD MEET THE VERY SERIOUS NEED FOR HOUSING OUR OWN PEOPLE, ESPECIALLY IN RIYADH, AND LESSEN THE IMPACT A LARGE NUMBER OF AMERICANS WOULD HAVE ON THE LOCAL MARKET. WE WOULD ALSO PROVIDE A GRAPHIC DEMONSTRATION OF THE ABILITY OF US INDUSTRY.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 JIDDA 04644 281236Z

7. ANOTHER PROSPECT IS CREATED BY CURRENT SAUDIA AIRLINES EXPANSION PLANS. CURRENT THINKING OF TOP MANAGEMENT IS THAT SAUDIA WILL BE FORCED TO SUPPLY OVER 2,000 RESIDENTIAL UNITS FOR NON-SAUDI EMPLOYEES WITHIN THE NEXT TWO YEARS. SOME IN-HOUSE ARCHITECTURAL WORK HAS ALREADY BEEN DONE. WE RECOMMEND THAT CAGNE CIRCULATE THIS PROSPECT AS A TRADE OPPORTUNITY AMONG BUSINESS CONTACTS LISTED IN REFTELS. ALTHOUGH

SAUDIA FALLS NOMINALLY UNDER THE MINISTRY OF DEFENSE
AND AVIATION, THERE IS NO REASON THE JOINT COMMISSION
COULD NOT BE UTILIZED TO MEET THEIR NEEDS AND THUS
HELP RELIEVE THE HOUSING SHORTAGE.

8. THESE ARE PROPOSALS THAT US RESIDENT DIRECTOR OF
COMMISSION COULD ESSARY ON ABA AL-KHAYL SOON AFTER BECOMING
ESTABLISHED IN RIYADH. IF DIRECTOR'S ARRIVAL WILL BE
DELAYED BEYOND END OF JULY, EMBASSY SHOULD BE AUTHORIZED
TO RAISE THEM ITSELF. PLANS ARE NOW MOVING AHEAD
VERY RAPIDLY FOR BRINGING US PERSONNEL TO SAUDI
ARABIA AND THE HOUSING SHORTAGE GROWS MORE CRITICAL EVERY
DAY. LAND ACQUISITION, ENGINEERING TESTS, DESIGN, ETC.
CANNOT BE COMPLETED OVERNIGHT.
HORAN

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: HOUSING, COMMITTEE MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 28 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975JIDDA04644
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750224-1151
From: JIDDA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t1975067/aaaaafcu.tel
Line Count: 130
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 STATE 146654, 75 STATE 140872
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 27 FEB 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27 FEB 2003 by PhilliR0>; APPROVED <03 FEB 2004 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: U.S.- SAUDI JOINT COMMISSION - HOUSING
TAGS: EGEN, SA, US, USSAEC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006